2. In § 243.3, paragraph (c) introductory text and paragraph (c)(1) are revised to read as follows:

§ 243.3 Definitions.

* * * * *

(c) Project for the elderly or persons with disabilities means a specific rental or cooperative multifamily property that, unless currently owned by HUD, is subject to a first mortgage, and:

(I) That is assisted under section 202 of the Housing Act of 1959, and as amended (Housing for the Elderly or Disabled or Supportive Housing for the Elderly) or is assisted under section 811 of the National Affordable Housing Act (Supportive Housing for Persons with Disabilities);

3. Section 243.4 is revised to read as follows:

§ 243.4 Effective date.

This part shall be effective on March 2, 1987. However, project owners shall have until May 1, 1987 to implement the provisions of this part. Section 243.3(c)(1) shall expire and shall not be in effect after October 2, 1996, unless changes in this interim rule are published as a final rule, or the Department publishes a notice in the **Federal Register** to extend the effective date.

PART 760—PROCEDURES FOR OBTAINING WAGE AND CLAIM INFORMATION ABOUT APPLICANTS AND PARTICIPANTS IN HUD'S SECTION 8 AND PUBLIC HOUSING PROGRAMS FROM STATE WAGE INFORMATION COLLECTION AGENCIES (SWICAs)

4. The authority citation for part 760 is revised to read as follows:

Authority: 12 U.S.C. 1701q; 42 U.S.C. 1437a, 1437d, 1437ee, 1437f, 3535(d), and 3544.

5. In § 760.3, paragraph (b) is amended by redesignating paragraphs (b)(10) through (b)(13) as paragraphs (b)(12) through (b)(15), and by adding new paragraphs (b)(10) and (b)(11), to read as follows:

§ 760.3 Applicability.

* * * * * * (b) * * *

- (10) Part 889, Supportive Housing for the Elderly.
- (11) Part 890, Supportive Housing for Persons with Disabilities.
- * * * * *
- 6. Section 760.40 is amended by adding paragraph (c) to read as follows:

§ 760.40 Effective date of rule.

* * * * *

(c) Expiration date. Sections 760.3(b)(10) and (11) shall expire and shall not be in effect after October 2, 1996, unless changes in this interim rule are published as a final rule, or the Department publishes a notice in the **Federal Register** to extend the effective date.

PART 889—SUPPORTIVE HOUSING FOR THE ELDERLY

7. The authority citation for part 889 continues to read as follows:

Authority: 12 U.S.C. 1701q, 42 U.S.C. 3535(d).

8. Section 889.100 is amended by adding paragraph (d) to read as follows:

§ 889.100 Purpose and policy.

* * * * *

- (d) Expiration date. Sections 889.600 through 889.655 shall expire and shall not be in effect after October 2, 1996, unless changes in this interim rule are published as a final rule, or the Department publishes a notice in the **Federal Register** to extend the effective date.
- 9. Subpart F is amended by adding \$\\$ 889.600, 889.605, 889.610, 889.620, 889.625, 889.630, 889.635, 889.640, 889.645, and 889.650, to read as follows:

Subpart F—Project Management

Sec.

889.600 Responsibilities of owner.

889.605 Replacement reserve.

889.610 Selection and admission of tenants.

 $889.611 \quad Selection\ preferences.$

* * * * *

889.620 Obligations of the family.889.625 Overcrowded and underoccupied

889.630 Lease requirements.

889.635 Termination of tenancy and modification of lease.

889.640 Security deposits.

889.645 Adjustment of utility allowances.

889.650 Conditions for receipt of vacancy payments for assisted units.

889.655 HUD review.

Subpart F—Project Management

§ 889.600 Responsibilities of owner.

- (a) Marketing. (1) The Owner must commence and continue diligent marketing activities not later than 90 days before the anticipated date of availability of the first unit. Market activities shall include the provision of notices of the availability of housing under the program to operators of temporary housing for the homeless in the same housing market.
- (2) Marketing must be done in accordance with the HUD-approved affirmative fair housing marketing plan and all Federal, State or local fair housing and equal opportunity

requirements. The purpose of the plan and requirements is to achieve a condition in which eligible families of similar income levels in the same housing market have a like range of housing choices available to them regardless of discriminatory considerations such as their race, color, creed, religion, familial status, disability, sex or national origin.

- (3) At the time of PRAC execution, the Owner must submit to HUD a list of leased and unleased assisted units, with a justification for the unleased units, in order to qualify for vacancy payments for the unleased units.
- (b) Management and maintenance. The Owner is responsible for all management functions. These functions include selection and admission of tenants, required reexaminations of incomes for families occupying assisted units, collection of tenant payments, termination of tenancy and eviction, and all repair and maintenance functions (including ordinary and extraordinary maintenance and replacement of capital items). All functions must be performed in compliance with equal opportunity requirements.
- (c) Contracting for services. (1) With HUD approval, the Owner may contract with a private or public entity for performance of the services or duties required in paragraphs (a) and (b) of this section. However, such an arrangement does not relieve the Owner of responsibility for these services and duties. All such contracts are subject to the restrictions governing prohibited contractual relationship described in § 889.105 (definition of Owner). (These prohibitions do not extend to management contracts entered into by the Owner with the Sponsor or its nonprofit affiliate.)
- (2) Consistent with the objectives of Executive Orders 11625, 12432 and 12138, the Owner will promote awareness and participation of minority and women-owned business enterprises in contracting and procurement activities.
- (d) Submission of financial and operating statements. The Owner must submit to HUD:
- (1) Within 60 days after the end of each fiscal year of project operations, financial statements for the project audited by an independent public accountant and in the form required by HUD; and
- (2) Other statements regarding project operation, financial conditions and occupancy as HUD may require to administer the PRAC and to monitor project operations.